

Italy, and Austria-Hungary, which took definite charge of Greek finances. Delegates of these powers met at Athens on October 27, 1897, under the presidency of M. Streit, who relinquished temporarily the post of governor of the National Bank of Greece to accept that of minister of finance. Under their agreement, accepted by the Greek government, March 7, 1898, arrangements were made for raising the 94,300,000 francs required to be paid as a war indemnity to Turkey, and for the future division of the public revenue between the bondholders and the state. The three powers most interested—England, France, and Russia—lent the aid of their joint guarantee to a loan of 170,000,000 francs (\$32,~ 710,000), which it thus became possible to sell at 100[^], although bearing the low rate of two and one-half per cent.¹ The new adjustment involved an heroic reduction of interest on old loans, but was rendered necessary by the manner in which the resources of the country had been dissipated between 1880 and the collapse of 1893. A careful estimate put the amount which had been realized from 570,-000,000 drachmas in loans at only 413,333,500 drachmas, upon which the annual charge for interest and sinking funds was 27,789,900 drachmas.⁸ Of the 75,000,000 drachmas raised by the new loan in addition to the amount devoted to the Indemnity to Turkey, 30,000,000 was set aside to meet the deficit in the budget for 1897, 25,000,000 to pay the floating debt, and 20,000,000 to meet expected deficits from 1898 to 1902.⁸ Interest on the loan of 1887 was reduced to forty-three per cent, of the old rate and on other recent loans to thirty-two per cent., subject to some increase in case the revenues should permit/

¹This high price was partly due to the surplus of capital then seeking investment. At Paris the amount offered was 41,500,000 francs. Subscriptions were received from 1387 persons for 987,809,-475 francs and actual deposits at the Bank of France on account of the instalments were 196,579,000 francs.—*Jzconomiste* May 13, 1898, XIII., 587.

²TheYy, *La Grfae ActuelU*, 9.

⁸Raffalovich, *Le March@ Financier en 1897-98*, 612. ⁴Typaldo Bassia, in *Dictionnaire du Commerce*, II., 370.